

Remarks**Claim Status**

Claims 14-16 and 41-65 remain pending. Claims 1-13 and 17-40 have been canceled in accordance with our election below. These claims are canceled without prejudice to the subject matter recited therein. And we expressly reserve the right to file one or more continuing applications targeting the canceled subject matter.

Claims 58-65 are newly presented. New independent claim 60 is very loosely modeled after elected claim 48 and new independent claim 63 is very loosely modeled after elected claim 51. Thus, these new claims are believed to be properly grouped with the elected claims.

Election:

Applicants elect, with traverse, Group VI (i.e., claims 41, 48, 51 and 54 along with their respective dependent claims).

Applicants respectfully ask the Examiner to reconsider the grouping of claims 14 and 44 (currently grouped in Group V). These claims are believed to be more properly aligned with the elected Group VI. For example, consider the “*reorienting the content item based on the orientation component*” feature of claim 14 and the “*reorienting the content item based at least in part on the orientation component, wherein reorienting the content item returns the content item to the base state*” feature of claim 44, in view of some of the elected claims. Favorable reconsideration is requested.

Information Disclosure Statement:

Another Information Disclosure Statement (IDS) is filed concurrently herewith. Consideration of the information disclosed therein is respectfully requested.

No fee is believed due since the IDS is presented prior to an office action on the merits. Nonetheless, the Office is authorized to charge our deposit account no. 50-3284 any fees necessary for considering the IDS and this amendment.

Conclusion:

Applicants respectfully request an early Notice of Allowance. The Examiner is invited to contact the undersigned at 503-469-4685 if any questions arise during examination.

Date: April 13, 2005

Customer No. 23735

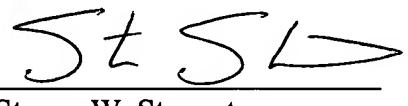
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Respectfully submitted,

DIGIMARC CORPORATION

By



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